

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

George H. Meney, Ed.D.  
Superintendent  
Colonial School District  
318 E Basin Road  
New Castle, DE 19720

We have performed the procedures enumerated below, which were agreed to by the State of Delaware Office of Auditor of Accounts, the State of Delaware Department of Education, and the Colonial School District management solely to assist the specified parties in evaluating Colonial School District's compliance with 29 Del. C. c. 75, the State of Delaware Budget and Accounting Manual, and the Department of Education's School Construction Technical Assistance Manual for the fiscal year ended June 30, 2005. The Colonial School District management is responsible for compliance with State Laws and procedures relative to the school construction projects administered by the district. This agreed-upon procedures engagement was conducted in accordance with *Government Auditing Standards (2003)*, issued by the Comptroller General of the United States of America and the attestation standards established by the American Institute of Certified Public Accountants that have been incorporated by the *Government Auditing Standards (2003)*. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Determine if the Colonial School District complied with the prior fiscal year's recommendations, if applicable, by reviewing these recommendations and verifying through inquiry and observation that the recommendation has been implemented.

There were no recommendations in the prior fiscal year.

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2. Determine that prior year and fiscal year 2005 construction project files and records, as indicated in the attached Schedule of Construction Projects Examined, were accurate and expenditures were made in accordance with the intent of the project scope mandated by the General Assembly, the Department of Education and the Colonial School District Board of Education by applying the procedures in the Construction Program Checklist prepared by the State of Delaware, Office of Auditor of Accounts.

Our procedures disclosed no instance of noncompliance that resulted in findings and recommendations

- 3 Be alert to situations or transactions that could be indicative of fraud, illegal acts, and violations of provisions of contracts or grant agreements and abuse or misuse of State funds.

Our procedures disclosed no instance of situations or transactions that could be indicative of Fraud, illegal acts and violations of provisions of contracts and abuse or misuse of State funds.

The results of our procedures were discussed at an exit conference with Karen Thorpe, Business Manager, Colonial School District.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the school district's compliance with 29 Del C. c. 75, the State of Delaware Budget and Accounting Manual, and the Department of Education's School Construction Technical Assistance Manual. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Enclosed is a schedule of Construction Projects Examined for the fiscal year ended June 30, 2005. This schedule is for informational purposes only.

This report is intended for the information and use of the School District management and Board Members, Department of Education, Office of the Governor, Office of Controller General, Office of Attorney General, Office of the Budget, Department of Finance, and Office of Auditor of Accounts and is not intended to be and should not be used by anyone other than these specified parties. However, under 29 Del. C., Section 10002(d), this report is a public record and its distribution is not limited.

*McBride, Shogan & Co*

Wilmington, Delaware  
January 24, 2006

COLONIAL SCHOOL DISTRICT  
SCHEDULE OF CONSTRUCTION PROJECTS EXAMINED  
FISCAL YEAR ENDED JUNE 30, 2005

Project Name	Funding Year	Original Funding Amount	De-Authorization Funding	Total Project Funding Life to Date	Expended Current FY	Expended Prior FY	Total Project Expenditures Life to Date	Total Unspent Fund Balance June 30, 2005
McCullough Elementary Renovations	01	1,538,500	-	1,538,500	-	1,538,500	1,538,500	-
	02	7,211,500	-	7,211,500	-	7,211,500	7,211,500	0
	03	1,000,000	-	1,000,000	-	1,000,000	1,000,000	-
Gunning Bedford Middle Renovations	01	1,538,500	-	1,538,500	-	1,538,500	1,538,500	-
	02	3,000,000	-	3,000,000	-	3,000,000	3,000,000	-
	03	2,827,700	-	2,827,700	-	2,827,700	2,827,700	-
William Penn HS Renovations	01	6,153,800	-	6,153,800	-	6,153,800	6,153,800	-
	02	6,153,800	-	6,153,800	-	6,153,800	6,153,800	-
	03	9,019,000	750,000	9,769,000	1,802,732	7,153,016	8,955,748	813,252
Downie Elementary Renovations	03	4,168,800	-	4,168,800	212,283	3,956,517	4,168,800	-
	04	493,200	100,000	593,200	107,438	419,379	526,817	66,383
New Castle Middle Renovations	03	5,765,000	75,000	5,840,000	968,611	4,780,400	5,749,011	90,989
Wilmington Manor Renovations	03	2,101,100	-	2,101,100	63,000	2,038,100	2,101,100	-
	04	2,070,900	180,000	2,250,900	429,412	1,610,969	2,040,381	210,519
Colwyck Elementary	04	4,649,600	1,525,000	6,174,600	4,018,175	880,274	4,898,449	1,276,151
Eisenberg Elementary	04	4,739,400	-	4,739,400	3,596,702	897,379	4,494,081	245,319
MLK Jr Elementary	04	3,865,400	(2,735,000)	1,130,400	248,295	270,199	518,494	611,906
Pleasantville Elementary	04	4,616,100	105,000	4,721,100	4,079,649	496,741	4,576,390	144,710
		<u>\$ 70,912,300</u>	<u>\$ -</u>	<u>\$ 70,912,300</u>	<u>\$ 15,526,297</u>	<u>\$ 51,926,774</u>	<u>\$67,453,071</u>	<u>\$ 3,459,229</u>

See Accountant's Report.